

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL ASSISTANCE DIVISION
HOME AND HOMEOWNERSHIP SECTION
HOME Program**

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July 6, 2005

TO: All HOME Contractors

FROM: Tom Bettencourt, HOME Section Chief

SUBJECT: **2004 - 2005 HUD Annual Performance Report**

Please find the enclosed Annual Performance Reporting (APR) forms from the State HOME Program. The U.S. Department of Housing and Urban Development (HUD) requires all recipients of State HOME awards to submit an APR form to document any activity that occurred during the reporting period of **July 1, 2004 through June 30, 2005**.

The individual forms will be available on the HCD website, www.ca.gov/fa/home soon in their original format (Word or Excel). You may want to download these forms so you can fill out the forms electronically.

The first page of the report contains specific guidance concerning which attachments you will have to complete, based on the type of activity you engaged in during the reporting period. In most cases, you will aggregate the total data for all of your standard agreements in completing the required attachments. However, Attachments E and F (Match Report and Section 3 Report) are exceptions to this, requiring you to fill out a separate form for each standard agreement that you have with the State HOME Program. Also, note Attachment A (Program Income) the format is changed and the amount retained or expended on administrative costs and activity delivery costs need to be reported separately.

You are required to complete and return at least the first page of the report and the audit certification, Attachment G, Compliance with OMB Circular A-133, even if there is no activity in your contract for the reporting period (e.g., because the expenditure deadline has passed) and even if you did not receive or disburse any program income. The Department will apply performance penalties during the rating and ranking of your next application for late or missing APR reports.

The APR forms must be received in our office by **Friday, August 5, 2005**; except for the Section 3 Report, which must be received in our office by August 12, 2005. Please send forms to the following address:

Department of Housing and Community Development (HCD)
Division of Community Affairs
HOME Program, Mail Station 390-3
Attn: Barbara Tillman
P.O. Box 952054
Sacramento, CA 94252-2054
Fax: (916) 322-2904

If you have any questions, please contact your HOME representative.

Enclosures

State of California HOME Annual Performance Report

This report is for the period: July 1, 2004 to June 30, 2005	Date Submitted:
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1. Name of the State Recipient or CHDO:	2. Name of Administrative Subcontractor, if any:	3. Name of Person completing this Report:	
4. Street Address of the State recipient of CHDO:	5. City:	6. State:	7. Zip:
8. Contractor's Phone Number (include area code):	9. Signature of person who completed this report:	10. List all HOME Standard Agreement #'s:	

Please answer the questions in the first column of the table below Depending on your answers, please complete the required attachments (indicated by an “X”). It is likely you will answer “yes” to more than one question; in that case, complete all the attachments for questions to which you answered “yes”.

HOME contractors who, during the reporting period, July 1, 2004 to June 30, 2005,	Attachment A Program Income	Attachment B MBE/WBE Report	Attachment C Minority Owners	Attachment D Relocation	Attachment E Match	Attachment F Section 3	Attachment G Audit
Entered into any contracts, such as with Administrative Contractor or General Contractor? ____ Yes ____ No. If Yes, fill out the indicated pages.		X				X	
Requested disbursement of HOME Funds on an existing loan? ____ Yes ____ No. If Yes, fill out the indicated pages.		X				X	X
Filed any project completion reports? ____ Yes ____ No. If Yes, fill out the indicated pages.		X	X			X	
Received or disbursed any Program Income? ____ Yes ____ No. If Yes, fill out the indicated pages.	X	X					X
Assisted the acquisition of property or an activity requiring tenant relocation? ____ Yes ____ No. If Yes, fill out the indicated pages.				X			
Have you completed a HOME Eligible match project? ____ Yes ____ No. If Yes, fill out the indicated pages.					X		

Attachment A

HOME PROGRAM INCOME				
State Recipients are required to report how both program income and recaptured funds were used for the reporting year that started July 1, 2004 and ended June 30, 2005. Program Income is the return of funds to you if the home is still occupied by the original or subsequent HOME eligible household. Recaptured funds are the return of funds to you if the home is no longer occupied by the original or subsequent eligible household.				
	Applies to Local Account Funds During Reporting Period: <u>(July 1, 2004 to June 30, 2005)</u>	Program Income (A)	Recaptured Funds (B)	Program Income & Recaptured Funds Total (C) = A + B
Line 1	Beginning Balance as of July 1, 2004:	\$ -	\$ -	\$ -
Line 2	Amount Received During Reporting Period:	\$ -	\$ -	\$ -
Line 3	Amount forwarded to HCD:	\$ -	\$ -	\$ -
Line 4*	Total Amount Expended During Reporting Period: (Sum of Line 8 and 9)	\$ -	\$ -	\$ -
Line 5	Amount Retained or Expended for Administrative Costs. Note: up to 10% of total PI received during the reporting period (amount reported in 2-A, above) may be retained for Administration costs.	\$ -	Administration is not an eligible use of Recaptured Funds	\$ -
Line 6	Amount Retained Or Expended For Activity Delivery: (Limited to the amounts identified in the Contract Management Manual. Currently, these are 24% for owner occupied rehabilitation, 14% for acquisition with rehabilitation, and 6.5% for all other activities except TBRA, which is ineligible for Activity Delivery costs. This amount is included in lines 4, 8, and 9 and is not deducted again to calculate Line 7.	\$ -	\$ -	\$ -
Line 7	Ending Balance as of June 30, 2005: (Add Lines 1,2, then Subtract Line 3, 4, and 5).	\$ -	\$ -	\$ -
		Expenditures on Units/ Households Assisted		
		Amount Expended	Assisted Units	Total Units
Line 8*	Program Income and Recaptured Funds Expended During Reporting Period On Units Also Funded With HOME Funds Drawn Down From HCD. Do not include expenditures on "negative" PI/recaptured fund expenditures.	\$ -		
Line 9*	Program Income and Recaptured Funds Expended During Reporting Period On Units Assisted Only With Program Income: (Complete Attachment A, Page 2 for these units). Do not include expenditures on "negative" PI/Recaptured fund expenditures.	\$ -		

* Includes Program Income/Recaptured funds spent on Activity Delivery costs.

Program Income Reporting For Household Characteristics

List individually each unit assisted with State HOME Program Income (PI) (including Recaptured Funds) funds during the 2004-2005 reporting period (**do not list units or projects assisted with both HOME Program Income and a new HOME award.**)

In the first column, list the amount of HOME Program Income used to assist each unit and the address of the unit. Include Program Income generated from HOME-eligible match projects. Under the “Monthly Rent” column, the Subsidy Amount refers only to tenant based rental assistance. See applicable codes at bottom of page.

PI Amount and Address for Each Unit	No. of Bedroom s	Occupanc y	Monthly Rent (Include Tenant Paid Utilities)			Household Data						Rental Assistance
			Tenant Contribution s	Subsidy Amount t	Total Rent	Monthly Gross Income	% of Area Median	Head of Household Ethnicit y	Race	Household Size	Household Type	
PI Amount:												
PI Amount:												
PI Amount:												
PI Amount:												
PI Amount:												

No. Bedrooms Code	Occupancy Code	% of Area Med Income Code	Ethnicity Code (HOH)	Race Code (HOH)	Size of HH Code	Type of HH Code	Renal Asst. Code
0 – 0 Bedroom	1 – Tenant	1 – 0-30%	Y – Yes HOH	09-Vacant Unit	1 – 1 Person	1-Single/non-Elderly	1 – Section 8
1 – 1 Bedroom	2 – Owner	2 – 30-50%	is Hispanic	10-Manqagers Unit	2 – 2 Persons	2-Elderly	2 – HOME
2 – 2 Bedrooms	3 - Vacant	3 – 50-60%	Origin	11-White	3 – 3 Persons	3-Related/Sngl	TBA
3 – 3 Bedrooms		4 – 60-80%	N – No HOH	12-Blk/African American	4 – 4 Persons	Parent	3 –Other
4 – 4 Bedrooms		9 - Vacant	is not Hispanic	13-Asian	5 – 5 Persons	4-Related/Two-	4 – No
5 – 5 or more Bedrooms			origin	14-Amrcn Indn/Alskn Ntve & White	6 – 6 Persons	Parent	Assistance
				15-Ntve Hawaiian/Othr Pac Islnder	7 – 7 Persons	5-Other	9 – Vacant
				16-Amrcn Indn/Alskn Ntv & White	8 – 8 or more	9-Vacant Unit	Unit
				17-Asian & White	Persons		
				18-BLCK/Afrcn Amrcn & White	9 – Vacant		
				19-Amrcn Indn/Alskn Ntv & Blk/Afrcn Amr	Unit		
				20-Other			

Attachment B

Minority Business Enterprise (MBE) and Women Business Enterprises (WBE) Report Contract and Subcontract Activity – Program Year 2004/05

State Recipient or CHDO: _____

Phone Number (Including Area Code): _____

Name of Contact Person: _____

Reporting Period: July 1, 2004 - June 30, 2005

Standard Agreement	Amount of Contract or Subcontract	Type of Trade Code (See below)	Contractor or Subcontractor Business Racial/Ethnic Code (See below)	Women Owned Business Yes or No	Section 3 Business (See Attach. F) Yes or No	Contractor or Sub-Contractor (C or S)	Contractor/Subcontractor Name and Address				
							Name	Street	City	State	Zip Code

Type of Trade Codes:

Housing/Public Housing

1 = New Construction

2 = Substantial Rehab.

3 = Repair

4 = Service

5 = Project Management

6 = Professional

7 = Tenant Services

8 = Education/Training

9 = Arch./Engrg. Appraisal

0 = Other

Racial Ethnic Codes:

1 = White Americans

2 = Black Americans

3 = Native Americans

4 = Hispanic Americans

5 = Asian/Pacific Americans

6 = Hasidic Jews

Attachment C

Minority Owners of Rental Property -- Program Year 2004/05

Based on project completion reports filed from July 1, 2004 to June 30, 2005, indicate the number of ethnicity of rental property owners you assisted and the amount of HOME funding invested in the property.

Property Owners by Ethnic Group	Hispanic Ethnicity		Non -Hispanic Ethnicity	
Race	Number of Rental Property Owners	HOME Funding	Number of Rental Property Owners	HOME Funding
American Indian or Alaska Native		\$		\$
Asian		\$		\$
Black or African American		\$		\$
Native Hawaiian or Other Pacific Islander		\$		\$
White		\$		\$
Other		\$		\$

Attachment D

Relocation and Real Property Acquisition--Program Year 2004/05

In Table I, please provide the following information **for any properties you acquired or for which you provided HOME funding** to another organization for the purpose of acquiring the cost for relocation of displaced businesses, non-profits and temporary relocation of households. In Table II, provide information on any households displaced due to HOME-funded activity. Data provided should reflect only acquisitions and displacements that occurred between 7/1/04 and 6/30/05.

Table I

	Number	Cost
Properties Acquired		\$
Businesses Displaced		\$
Nonprofit Organizations Displaced		\$
Households Temporarily Relocated, Not Displaced		\$

Table II

Households Displaced by Race/Ethnicity Group	Hispanic Ethnicity		Non -Hispanic Ethnicity	
Race	Number of Households Displaced	Relocation Cost	Number of Households Displaced	Relocation Cost
American Indian or Alaska Native		\$		\$
Asian		\$		\$
Black or African American		\$		\$
Native Hawaiian or Other Pacific Islander		\$		\$
White		\$		\$
Other		\$		\$

Attachment E

Instructions for HOME-eligible Match Log

Please attach the portion of your match log which supports your **HOME-eligible Match** identified on the match log summary completed on the next page. All HOME eligible Match must be approved by the State HOME Program. If you do not have a match log, you will need to provide match data for each HOME-eligible project individually, including project address and the date of the match contribution, on the match log form (the next page), rather than aggregating data by standard agreement.

The following is a list of **HOME-eligible Match** by type of match that is comprised within each column heading.

Cash (non-federal sources): Includes loans repaid to the Local HOME Account such as below-market interest rate, redevelopment agency, private lending institutions, local or state general revenue funds and housing trust funds both amortized and deferred loans; or grants and private donations and certain types of Program Income.

Professional Services and Donated Materials, Equipment and Labor: Value of material either donated or purchased with non-federal sources for site preparation and construction of HOME-eligible housing. Donated site preparation and construction equipment and skilled labor and professional services at the rate normally charged by the entity.

Sweat Equity: Unskilled labor contributed as part of an established program valued at the rate of unskilled labor established by HUD and contributed up until the time of project completion.

Grant Equivalent of BMIR Loans / By Interest Rate: Below market interest rate loans that are not repaid to the Local Home Account consist of Borrowed or Non Borrowed funds. Borrowed funds are the present discounted value of the difference between payments to be made on the borrowed funds and the payments to be received on the loan to the project (other than housing bond proceeds). Non-Borrowed Funds are the difference between payments received on the below-market interest rate loan and the payments that would have been received had the loan been made at the market interest rate; the present discounted cash value of the yield foregone.

Appraised Value of Donated Land or Other Real Property: Includes permanently contributed property acquired with non-federal sources and donated or sold at below its market value. Property acquired with federal sources can provide Match only under certain circumstances.

Applicable Amount of Bond Financing: For single-family (1-4 units), 25% of the face value and for multifamily (5+ units), 50% of the face value of certain loans, such as CalHFA or Rural Gold, made for HOME-eligible housing can be credited as match.

Attachment E

HOME-Eligible Match Report Log

Fill in the following information for all HOME-Eligible Matching funds that you identified in the HOME-eligible portion of your Match Log. **Report only the HOME-eligible Match that has not been included on any home set-ups or drawdowns from July 1, 2004 to June 30, 2005.** Please aggregate all matching funds by standard agreement number.

Project Description		Type of Match					
Date HOME-Eligible Match Approved by HCD	Project Name, Address or Parcel number	Cash (non-federal sources)	Professional Services and Donated Materials, Equipment, Labor	Sweat Equity	Grant Equivalent of BMIR Loans / Interest Rate	Appraised Value of Donated Land / Real Property	Applicable amount of Bond Financing
Total Match (add all columns)							

Attachment F

Section 3 Report

Instructions

- State Recipients and CHDOs must complete a separate Section 3 Report for each active HOME award they have received in which HOME funding is being used for new construction or rehabilitation. Thus, if a State Recipient has two active standard agreements with HOME, it is required to submit two Section 3 reports for the July 1, 2004 to June 30, 2005 reporting period.
- In addition, if State Recipients or CHDOs entered into any contracts exceeding \$100,000 during the reporting period (including making loans to non-profit or for-profit developers or owners), those entities must also fill out a Section 3 Report for each contract they received.
- If a subcontractor to the State Recipient or CHDO awarded subcontracts exceeding \$100,000 on a HOME-funded project during the reporting period, then these subcontractors are also required to fill out a Section 3 report. State Recipients and CHDOs must make copies of this form and distribute the form to each subcontractor who has a subcontract of over \$100,000.

Typical Example:

A CHDO receives a HOME award for construction of a rental project. The CHDO contracts with a general contractor. The general contractor enters into a contract of \$200,000 for plumbing. The CHDO, the general contractor and the plumber are all required to complete a Section 3 report.

- State Recipients and CHDOs must make sure they receive Section 3 reports back from their contractors within sufficient time to return the reports to HCD by the deadline.

Specific instructions on completing the form are below:

Part I: Employment and Training Opportunities

If the HOME-funded construction or rehabilitation activity resulted in hiring any new employees by HOME contractors or sub-contractors during the July 1, 2004 to June 30, 2005 reporting period, then the State Recipient, CHDO, or contractor must indicate whether any of these new hires were Section 3 residents. **Section 3 residents are defined as low- and very low-income persons who live in the community where the housing is being built or rehabbed.** In addition, the total number of Section 3 employees must be provided. Only count new hires and existing employees who work full-time.

Column A: Job Category – Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade separately.

Columns B-F: Follow the instructions as indicated.

Attachment F

Part II: Contracts Awarded

Indicate whether any contracts awarded on the HOME-funded construction or rehabilitation activity during the reporting year were awarded to Section 3 businesses. **A Section 3 business is defined as:**

- 1) a business in which is at least 51% owned by Section 3 residents; or
- 2) a business in which at least 30% of its permanent full-time work force consists of Section 3 residents, or people who within 3 years of their first employment with the business had been Section 3 residents; or
- 3) a business that provides evidence of a commitment to subcontract in excess of 25% of the amount of all subcontracts to Section 3 businesses that meet the requirements of either 1 or 2 above.

A. Construction Contracts:

1. Enter the total dollar amount of **all** contracts awarded during the reporting period by the entity completing the form, including contracts of less than \$100,000.
2. Enter the total dollar amount of contracts, including those of less than \$100,000, awarded to Section 3 businesses during the reporting period by the entity completing the form.
3. Enter the percentage of the total dollar amount of contracts awarded to Section 3 businesses (line 2 divided by line 1).
4. Enter the total number of Section 3 businesses receiving contracts during the reporting period.

B. Non-Construction Contracts:

1. Enter the total dollar amount of all non-construction contracts awarded during the reporting period by the entity completing the form, including contracts of less than \$100,000.
2. Enter the total dollar amount of non-construction contracts awarded to Section 3 businesses during the reporting period, including contracts of less than \$100,000.
3. Enter the percentage of the total dollar amount of non-construction contracts awarded to Section 3 businesses (line 2 divided by line 1).
4. Enter the total number of Section 3 businesses receiving non-construction contracts during the reporting period.

SECTION 3 REPORT for Period 7/1/04 to 6/30/05

Attachment F

CHDO or State Recipient Name: _____

HOME Standard Agreement Number: _____ Total HOME Contract Amount: _____

- **Was this contract still open (not 100% expended on July 1, 2005)?** ____ Yes ____ No. If you answer no, you do not need to complete the rest of this form. Just send back this page.

Does this contract fund:

_____ First-Time Homebuyer Acquisition Only Program

_____ Tenant-Based Rental Assistance Only

(If you are funding only the above activities, you don't need to complete the rest of this form.)

Does this contract fund:

_____ First-Time Homebuyer Acquisition and Rehab Program

_____ A single-family or multi-family new construction or rehabilitation project

_____ Owner-occupied rehabilitation

_____ Rental Rehabilitation Program

(If you are funding any of these activities, you must complete all 3 pages of the Sec. 3 form.)

During the reporting period (7/1/04 to 6/30/05) did you receive more than \$200,000 in HOME funds or were you involved in any construction project where the total amount of federal funding exceeded \$200,000 and any individual contract or subcontract exceeded \$100,000?. ____ Yes ____ No

If yes, list the names of the businesses with whom you entered into contracts or made loans and the amount of those contracts below. Attach an additional page if necessary.

Contractor	Contract Amount
------------	-----------------

Contractor	Contract Amount
------------	-----------------

If any of these contracts were for amounts over \$100,000, you must make copies of the next 2 pages for each of these contractors. Prior to providing these pages to your contractors fill in the name of the CHDO or State Recipient, HOME standard agreement number, contractor's business name and the amount of the contractor's contract with you. These contractors must fill out the next 2 pages and return them to you. If your contractor entered into contracts of over \$100,000 with a subcontractor, that subcontractor will have to complete the next 2 pages also.

Please be aware that even if **you** did not enter into any contracts during the 2004-2005 reporting period, you are still required to ascertain whether **your contractors** entered into any contracts during this reporting period. Remember that you do not need to report on contracts entered into **before** July 1, 2005 unless you or your contractors hired additional employees during the 2004-05 reporting period.

Even if you did not enter into any contracts over \$100,000 during the reporting period, bear in mind that you still have to report contracts of less than \$100,000 under section II of this form.

Attachment F

SECTION 3 REPORT for Period 7/1/04 to 6/30/05

1. CHDO or State Recipient Name: _____ HOME Standard Agreement #: _____

Is this form for the above named entity? ☐ yes ☐ no **If yes, do not answer #2 or #3.**

2. Contractor: _____ Contract Amount _____

Is this form for the above named entity? ☐ yes ☐ no **If yes, do not answer #3.**

3. Subcontractor _____ Contract Amount _____

Is this form for the above named entity? ☐ yes ☐ no

4. Person Completing this Form, Organization Name and Phone: _____

I. Employment and Training

Please complete both sides.

A. Job Category	B. Number of New Hires	C. Number of New Hires that are Section 3 Residents	D. % of Aggregate Number Staff Hours of New Hires that are Section 3 Residents	E. % of Total Staff Hours for Section 3 Employees and Trainees	F. Number of Section 3 Employees & Trainees				
					1	2	3	4	5
Professionals									
Technicians									
Office/clerical									
Construction by trade (list):									
Trade:									
Trade:									
Trade:									
Trade:									
Trade:									
Trade:									
Other (list):									
Other (list):									

Attachment F

SECTION 3 REPORT for Period 7/1/04 to 6/30/05

II. Contracts Awarded

A. Construction contracts:

1. Total dollar amount of all contracts awarded **by the entity completing this form**: \$_____. (Include **all** contracts, even if they are for amounts less than \$100,000).
2. Total dollar amount of contracts awarded to Section 3 businesses: \$_____.
3. Percentage of total dollar amount that was awarded to Section 3 businesses: _____%
4. Total number of Section 3 businesses receiving contracts: _____

B. Non-construction contracts:

1. Total dollar amount of all non-construction contracts awarded **by the entity completing this form**: \$_____. (Include **all** contracts, even if they are for amounts less than \$100,000).
2. Total dollar amount of non-construction contracts awarded to Section 3 business (es): \$_____.
3. Percentage of total dollar amount that was awarded to Section 3 business(es): _____%.
4. Total number of Section 3 businesses receiving non-construction contracts: _____

III. Summary of Efforts Made

Indicate the efforts made by **the entity completing this form** to direct the employment and other economic opportunities generated by the HOME award toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. **Check all that apply:**

- _____ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or Non-metropolitan County) in which the Section 3 covered program or project is located, or similar methods.
- _____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- _____ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- _____ Coordinated with the Youth build Programs administered in the metropolitan area in which the Section 3 covered project is located.
- _____ Other, as described: _____

Attachment G

Compliance With OMB Circular A-133

Office of Management and Budgets (OMB) Circular A-133 is issued pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth the standards for obtaining consistency and uniformity among Federal agencies for the audit of states, local governments, and non-profit organizations expending Federal awards. Cities and counties not exempted from the requirements of OMB Circular A-133 must submit their audits to the State Controller. Non-profit organizations not exempted must submit their audits to the California Department of Housing and Community Development.

Pursuant to the requirements of OMB Circular A-133, please check the appropriate box(s) and certify at the bottom of the page:

- ☐ The _____ (name of entity) has expended more than \$500,000 in Federal funds in fiscal year 2004/2005 and is required to conduct a single audit or program specific audit for this year in accordance with the provisions of OMB Circular A-133.
- ☐ The audit has been completed and has been submitted to the appropriate control agency.
- ☐ The audit has not been completed. It is anticipated that the audit will be completed and submitted to the appropriate control agency by: _____ (date).
- ☐ The _____ (name of entity) has expended less than \$500,000 in federal funds in fiscal year 2004/2005 and is exempt from the requirements of OMB Circular A-133. Non-Federal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the General Accounting Office.

I certify on behalf of _____, (name of entity) that the above is a true and accurate statement.

(Printed name and title)

(Signature)

(Date signed)